

Focusing on:

# Stocks and Shares Individual Savings Account (ISA)

## What is an ISA?

An ISA is a tax-free fund for life. It is often described as a ‘wrapper’ because it protects your investments from tax.

ISAs are a tax-efficient way of building up an investment portfolio and you may start reaping the benefits immediately. In the 2020/21 tax year, any UK resident aged 18 or over can invest up to £20,000 in a Stocks and Shares ISA.

An ISA enables you to draw out the income or capital at any time without liability for Income Tax, Capital Gains Tax or other penalties. Alternatively, you can allow your income to accrue, to help your ISA to grow faster.

We also offer a Junior Stocks and Shares ISA service that enables tax-efficient saving for children but with a lower maximum yearly investment (£9,000 in the 2020/21 tax year). Please contact us to find out more.

## Why invest with Charles Stanley?

Charles Stanley has been looking after clients and their money since 1792 and has provided ISAs since they were launched on 6 April 1999. We stand out because of the time and attention we give to our clients to help them achieve their individual goals. With our breadth of experience, you can always be sure your assets are in safe hands.

A Charles Stanley ISA could be suitable if you:

- value making the most of the tax reliefs offered
- are looking to invest regular amounts in the stock market
- wish to cut down on paperwork and administration by keeping your Stocks and Shares ISAs in one place

## A summary of ISA benefits

- no Capital Gains Tax (CGT)
- no additional tax on income and no tax on any profits you make within the ISA
- the freedom to choose from a wide range of investments, including: equities, fixed interest stocks, gilts, unit trusts, investment trusts, Open-Ended Investment Companies (OEICs) and Alternative Investment Market (AIM) traded securities
- the option to withdraw your money at any time
- the flexibility to repay withdrawn funds into your ISA

within the same tax year, without counting as a new subscription

- benefits for surviving spouses or civil partners in the event of death through the ability to pass on an additional ISA subscription
- the option to use as part of your retirement planning

## A ‘flexible’ ISA

Payments out of your Charles Stanley ISA, including any income payments, can be paid back in to your ISA during the same tax year, without counting towards your annual ISA subscription limit.

The maximum amount you can subscribe per tax year is prescribed by HM Treasury Regulations and for the tax year 2020/21 this is £20,000. As well as any subscriptions to your ISA, money that you subscribe in another ISA and then transfer to your ISA with us in the same tax year will count towards your maximum subscription limit for the relevant tax year.

For further information on how this works, please refer to the separate factsheet, **Flexible Stocks and Shares ISA: Frequently Asked Questions**.

## Choosing the type of service that’s right for you

Once you have made the decision to invest in an ISA or transfer any existing ISAs you may have to us, we’ll help you find a service level that’s right for you.

- Discretionary Managed service
- Advisory Managed service
- Execution-only dealing
- IHT Portfolio service
- Junior ISA services
- Model Portfolios

Discretionary Managed	Advisory Managed	Execution-only
<p>We will make all investment decisions on your behalf based on the individual goals you agree with us and your risk profile. We take full responsibility for your portfolio, handle all paperwork, and provide you with comprehensive reports and statements. We can either create a bespoke discretionary portfolio for you or configure one of our model portfolios to meet your requirements.</p>	<p>We look after your investments and make recommendations on how to achieve your investment goals. The final decision on whether each recommendation is acted on, however, remains with you.</p>	<p>You take full control of managing your portfolio, with a service that does not provide advice but acts for you – via telephone, in writing or online – in executing your investment decisions.</p>

## Getting started

Once you and your Charles Stanley contact are happy with your chosen service level, we will guide you through your application, enabling you to subscribe to an ISA and, if you wish, to transfer any other ISAs to us.

### Administration

Whichever service you choose, we will provide you with regular updates, valuations and statements that itemise all transactions. You can also review your portfolio at any time through 'My Charles Stanley', our secure online client portal. Clients also receive comprehensive reports at least every three months.

### Custody of your investments

We hold your investments in the name of our nominee company, Rock (Nominees) Limited, whilst the money we look after for clients is held in trust on your behalf. Both remain your property at all times and are ring-fenced from the assets of Charles Stanley. We are authorised and regulated by the Financial Conduct Authority, we hold substantial insurance cover at Lloyd's of London and we participate in the Financial Services Compensation Scheme (fscs.org.uk).

### Fees and charges

Your Charles Stanley contact will provide you with a detailed charges document, before you open an account.

### Detailed terms

We will provide you with a copy of Our Services and Business Terms before you open your account. You can also access this at [www.charles-stanley.co.uk](http://www.charles-stanley.co.uk)

## Other things to consider

### Withdrawing money from your ISA

You can withdraw all or part of your cash balance at any time. You can also transfer securities out to a general investment account, with no liability to Capital Gains Tax. Our ISA is a 'flexible' ISA, which means that any cash withdrawals from your ISA can be repaid into the same ISA in the same tax year, without counting towards your annual subscription limit.

### Bed and ISA

If you hold eligible securities with us but outside an ISA, you can sell them to fund your ISA subscription and then repurchase them within your ISA. To help maximise your ISA fund, we generally waive any dealing commission on the repurchase. Also, because their sale is counted as a disposal for tax purposes, it can contribute to your overall tax planning strategy.

### Employee shares

You can transfer shares from an approved Employee Share Scheme or Share Incentive Plan directly into your ISA, free from Capital Gains Tax, within 90 days of the shares vesting. The value of any shares you transfer will count towards your annual subscription limit.

### Dividends

You can leave dividends and fixed interest payments on your investments to accumulate within your ISA or you can choose to have the income paid to you on a regular basis. In both cases we will provide you with statements showing the income and payments.

For information on these services, please speak to your Charles Stanley contact directly.

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### The value of investments can fall as well as rise. Investors may get back less than invested.

This document is based on our understanding of UK tax provisions at the date of publishing, which may change in the future. It is always important to seek advice on the suitability of subscribing to an ISA, because this will depend on your individual circumstances. Current legislation suggests that an ISA would be less suitable for you if you are a nil or low-rate income tax payer. If you would like to take advice on whether an ISA is the right type of account for your circumstances, and you do not already have a Financial Adviser, we will be happy to introduce you to an adviser in our Financial Planning department.

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